

Arizona Government Information Technology Agency
Rural Health Information Technology Adoption Program

Regional Health Information Organization (RHIO) Planning Grant

Request for Grants (RFG)

RHITA 2009 - 01

<u>DEADLINE</u>	Applications shall be submitted on or before 4:00 PM (MST) on January 30, 2009, at the Government Information Technology Agency (GITA) 100 N. 15th Ave., Suite 440, Phoenix, Arizona 85007. Applications may not be faxed or submitted electronically. Late applications will not be accepted. Please submit one (1) original, one (1) unbound copy, and a data CD containing all application materials.
<u>PROCUREMENT GUIDELINES</u>	<p>In accordance with A.R.S. 41-2701, competitive sealed grant applications for the services specified within this document will be received by the Government Information Technology Agency at the location specified above until the time and date cited. Grant applications received by the correct time and date will be opened and the name of each applicant will be publicly read.</p> <p>Grant applications must be in the actual possession of the Government Information Technology Agency on or prior to the exact time and date indicated above. Applications may not be faxed or submitted electronically. Late applications will not be accepted.</p> <p>Grant applications must be submitted in a sealed envelope with the Grant Number (RHITA 2009 – 01) and the applicant's name and address clearly indicated on the envelope. All applications must be completed in ink, typewritten or computer generated. Additional instructions for preparing a grant application are included within this document. Applicants are strongly encouraged to carefully read the entire Request for Grant document.</p>
<u>CONTRACT INFORMATION</u>	<p>PROGRAM: Rural Health Information Technology Adoption</p> <p>FUNDING TYPE: Non-renewable Planning Grant</p> <p>GRANT TERM: The term of the contract shall commence on April 1, 2009, and shall remain in effect until December 31, 2009, unless terminated, cancelled, or extended as otherwise provided herein.</p>

<p><u>CONTACT INFORMATION</u></p>	<p>Mr. Eric Thomas, Project Manager Rural Health Information Technology Adoption Grant Program Government Information Technology Agency (GITA) 100 N. 15th Avenue, Suite 440 Phoenix, Arizona 85007 602.364.4858 ethomas@azgita.gov</p>
<p><u>SPECIAL NOTE</u></p>	<p>All information submitted by the applicant is subject to disclosure and inspection by the public. If an applicant deems all, or part of their proposal to be proprietary, a written justification must be submitted to support non-disclosure.</p>
<p><u>REQUIRED REFERENCE DOCUMENT</u></p>	<p>The <i>RHIO Formation Guide</i> located on the GITA website at www.azgita.gov/ehealth/RHITA must be utilized by the applicant. The methodology described in this Guide to identify and document work activities and the outcomes and outcome measures must be included in appropriate submissions pursuant to section 7.3 of the RFG.</p>

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1.0 PROJECT OBJECTIVE

The objective of this Request for Grant is to provide additional funding to entities/organizations engaged in the formation of Regional Health Information Organizations (RHIOs) serving rural Arizona that were successful recipients of RHITA 2008-01 grant awards. The RHIOs to be formed by the grant recipients must have as their purpose the planning for and/or developing of electronic Health Information Exchange (HIE) in Arizona between two or more healthcare-related entities in areas designated as rural in A.R.S. §15-1754. Projects proposed in this grant request are expected to contain work activities, outcomes, and outcome measures related directly to the approach to RHIO formation described in the *RHIO Formation Guide* (as documented in their grant submission pursuant to section 7.3 of this RFG) and continuing the work commenced under the RHITA 2008-01 grants.

2.0 BACKGROUND

2.1 Definitions

The following terms and their definitions for purposes of this Request For Grant are referenced below:

- *Regional Health Information Organization* (RHIO) is an organization that brings together healthcare stakeholders within a defined geographic area and governs the electronic exchange of health-related information among them for the purpose of improving health and care. Activities such as community leadership, business planning, governance, privacy and security, community outreach and practice transformation are examples of RHIO-related work. **Funds from this grant shall be used to further planning and/or development efforts for RHIOs serving rural Arizona.**
- *Health Information Exchange* (HIE) is the infrastructure to enable the exchange of health related information between organizations. Services are built once and used multiple times by many. Items such as e-prescribing, a central web site, healthcare terminology translation tools, a master person index (MPI), authentication and authorization infrastructure; and applications to aggregate information from multiple sources are examples of HIE resources. **Funds from this grant may be used to further HIE planning efforts as a component of RHIO formation planning that will serve rural areas of Arizona.**
- *Health Information Technology* (HIT) is a local deployment of technology to support organizational business and clinical requirements. HIT is technology implemented within the physical space of a doctor's office, laboratory, and hospital or virtually through a hospital system. Items such as electronic medical records (EMR) systems, administrative systems (such as billing), and workflow systems are examples of HIT systems. **Funds from this grant may not be used for HIT purposes.**

2.2 History

On August 30, 2005, Governor Janet Napolitano issued Executive Order 2005-25 establishing the Arizona Health-e Connection Steering Committee. The Committee was charged with developing a roadmap for statewide interoperability for electronic health records to reduce costs and enhance the quality of health care. Hundreds of Arizonans representing diverse interests and geographies contributed to the process by serving on the Steering Committee or on one of the various task groups convened to develop the Roadmap.

The Steering Committee delivered the [Arizona Health-e Connection Roadmap](#) to Governor Napolitano on April 4, 2006. One major Roadmap component specified development of a not-for-profit, public-private governance organization with representation from all major stakeholders groups to provide statewide leadership implementing the Roadmap. In 2007, Arizona Health-e Connection was formed and this organization now supports implementation of the recommendations in the Roadmap. Arizona Health-e Connection is a statewide resource available for all healthcare-related efforts and serves as a repository for work results related to such important healthcare matters as security and privacy, and the establishment of statewide standards. Grant recipients are strongly encouraged to review the [Arizona Health-e Connection Roadmap](#) and the educational material, reports and whitepapers available on Arizona Health-e Connection's website at www.azhec.org.

2.3 RHITA 2008-01 Grants

The Arizona Legislature, recognizing the special financial challenges faced by rural healthcare providers, allocated funding to support development of health information technology (HIT) and health information exchange (HIE) capabilities. This Rural Health Information Technology Adoption (RHITA) Grant promotes the advancement of effective and secure health information exchange by providing funding for stakeholder groups serving rural Arizona as they plan the formation of a Regional Health Information Organization (RHIO) to advance HIE.

The Legislature gave RHITA Grant administration responsibility to the Government Information Technology Agency (GITA). GITA serves as the official state Agency for IT Coordination and Planning, IT Project Review and Monitoring, E-Government, Statewide Information Security and Privacy Office and the Strategic Initiatives Unit. The GITA Director also serves as State Chief Information Officer.

To determine the needs of the rural areas of the state, GITA staff has performed outreach to these communities. In addition, GITA has engaged a consulting firm with significant experience in developing RHIOs. In January and March of 2008, workshops were conducted in seven (7) communities that introduced RHIOs and RHIO formation concepts and processes. Information gathered from the local communities during these

workshops has been used to guide the development of this Request for Grant and the creation of a *RHIO Formation Guide*.

June 26, 2008, the RHITA 2008-01 grant program awarded funding and consulting services to six (6) rural health communities through a competitive grant process. The successful recipients are currently involved in preliminary activities for planning the formation of Regional Health Information Organizations (RHIOs) to serve rural Arizona. The nine (9) month grant period will conclude on March 31, 2009.

Nationally the formation of RHIOs has been an evolutionary process and the *RHIO Formation Guide* also calls for an iterative process for RHIO development through nine (9) domains (see Section 3.0). Additional funding of current grant recipients will support their ability to form RHIOs with capabilities essential for sustainable success.

The RHITA 2008-01 grant program provided grants for activities predominantly in domains A, B and C. This grant will build on that work.

3.0 BUILDING A REGIONAL HEALTH INFORMATION ORGANIZATION (RHIO)

Building a RHIO to serve a rural area requires that certain capabilities be carefully planned for and created before full implementation. Initially, the primary focus must be on building the core capabilities that will allow the RHIO to form and grow over time. These capabilities must be developed by using a process that follows a logical sequence. This grant program is designed to help local areas in rural Arizona build a RHIO using a process and methodology that creates the core capabilities typically found in successful RHIOs.

The process has been organized into nine logical areas or Domains of work activities or actions. Following this process simplifies the accomplishment of the required actions or activities and the construction of the foundation necessary for a successful RHIO. The nine Domains of work activity are:

- A. Community Leadership
The recognition by a critical mass of healthcare leaders in a community that HIE has value and should be pursued for the betterment of the community
- B. Business Foundation
The business case for designing and building a RHIO including the vision and mission of the RHIO and the value proposition to engage each stakeholder
- C. Governance
The process of defining expectations, roles and responsibilities, decision-making, and accountability for the RHIO
- D. Privacy and Security

The protocols selected to protect data and information from exposure to accidental or inappropriate disclosure, unauthorized access, modification, removal or destruction, and/or unreasonable interference with individual rights to protection of information

E. Technical Architecture

The hardware, software, applications, networks, and standards and protocols selected to connect stakeholders to enable the sharing of data and information in accordance with RHIO governance and operating agreements

F. Community Outreach

The engagement of stakeholders, legislative representatives, consumers, and users of RHIO services in support of its mission, vision, growth and development

G. Economic Sustainability

Evolving the RHIO to a state that can be maintained at a satisfactory financial and operational level indefinitely

H. Education

The teaching and learning of specific skills, imparting knowledge, and developing wisdom about the processes, tools and techniques for a successful transition to a RHIO

I. Practice Transformation

The art of aligning processes, procedures, and systems of a particular practice to the operational processes, procedures and systems of the RHIO

The process for moving through these domains is described in the *RHIO Formation Guide*.

Applicants must thoroughly read the *RHIO Formation Guide* before completing their grant applications. Additional foundational work related to these domains is available through Arizona Health-e Connection (www.azhec.org) and the State (www.azgita.gov/ehealth). Applicants are expected to build on that work.

4.0 ELIGIBILITY TO APPLY FOR THIS FUNDING OPPORTUNITY

The intent of this grant process is to seek funding requests from successful recipients of a RHITA 2008-01 grant. It is expected that the lead applicant of the RHITA 2008-01 RHIO Planning Grant project will continue as the lead applicant of the RHITA 2009-01 grant project continuing to lead a multi-stakeholder group in RHIO formation.

4.1 Lead applicant responsibilities

The lead applicant responsibilities are as follows:

- Primary contact – Act as the principal contact for GITA throughout the grant period facilitating all communications between the project stakeholders and GITA
- Project management – Provide the overall project management for the multi-stakeholder group including task assignments, meeting established deadlines,

filing reports, and ensuring accountability for meeting project goals and objectives

- Fiscal agent – Control the approved project budget, disburse funds appropriately, report on project activities, and ensure proper controls are in place to avoid fraud and abuse of taxpayers funds
- Grant reporting - File timely progress reports on project activities, notify GITA if project activities are not meeting established deadlines, and complete a final project report

4.2 Other key stakeholder responsibilities

Other key stakeholders shall have the following responsibilities:

- Project participation – Complete all of the project activities assigned to the organization in a timely manner and support the other stakeholders in meeting their obligations as well
- Grant reporting - File timely progress reports on project activities with the lead applicant, notify designated project manager if project activities are not meeting established deadlines, and complete a final project report documenting significant accomplishments

4.3 Multi-stakeholder Group

This grant is specifically designed for multi-stakeholder groups. The following list contains examples of other types of entities and/or organizations that may be part of the multi-stakeholder group:

- Academic - Medical / Informatics / Research University
- Behavioral Health Providers
- Community Health Centers and Rural Health Centers
- Consumer and Patient Groups
- Department of Health (City or County)
- Economic Development Organizations
- Emergency Medical Services Providers
- Employers and Healthcare Purchasers
- Healthcare Systems
- Health Plans and Payors
- Hospitals
- Long-term care providers

- Medical Societies
- Philanthropies / Foundations
- Physicians and Physician Practices
- Public Health Agencies
- Quality Improvement Organizations
- Tribes
- Union representation / Labor
- Other care providers (nurses, pharmacists, laboratories, ancillary)

4.4 Ineligible Stakeholders

The following are not permitted by the funding requirements:

- Proposals from single stakeholders
- Proposals from multi-stakeholder groups in which all stakeholders report to a common governing body
- Proposals from groups that did not receive RHITA 2008-01 grants

5.0 FUNDS AVAILABLE

Between \$200,000 and \$300,000 in direct funding is available for the State fiscal year 2009 Rural Health Information Technology Adoption grant program. Multiple awards may be issued under this Request for Grant. The size of the grant awards will vary depending upon the complexity of each application. Partial awards may be issued and an applicant may be asked to submit a best and final application. Specific line items and/or work activities within a proposal may be rejected. Awards are non-renewable and must be expended by the contract deadline. Successful completion of this project is not a guarantee of any future funding.

6.0 ELIGIBLE AND INELIGIBLE ACTIVITIES

There is a wide range of activities necessary to facilitate the exchange of health information. GITA has published a *RHIO Formation Guide* to assist applicants in determining where they should continue their work. Applicants must thoroughly review the *RHIO Formation Guide* before completing their application.

6.1 Eligible Activities

Activities in Domains B, C, D, F, G and H which build on activities funded in the RHITA 2008-01 grant are eligible for funding, subject to limitations set forth below. Documentation of actual or planned completion of the required predecessor activities will be required in Item 4E of Section 7.3.

6.1.1 Applicants requesting funds for activities in Domain D are required to show how the work they propose will build on the work available from Arizona Health-e Connection.

6.1.2 Activities in Domain F are eligible for funding for RHIOs attempting to broaden community support by engaging stakeholders beyond those identified in Domain A.

6.1.3 Activities in Domain G are eligible for funding only for RHIOs that have tested their ability to electronically exchange data, have priced their technical infrastructure and understand their staffing requirements.

6.1.4 Activities in Domain H are eligible for funding only for RHIOs that are electronically exchanging health information in pilot or production mode.

6.2 Ineligible Activities

Activities in Domains A, E and I are ineligible for funding.

7.0 APPLICATION GUIDELINES

The Government Information Technology Agency (GITA) will be responsible for the overall management of the grant project. GITA is responsible for all activities related to submission, review of applications, awarding of contracts, and all subsequent program monitoring.

Applicants will be required to submit the requested documents and attachments in this Request for Grant to:

Mr. Eric Thomas, Project Manager
Rural Health Information Technology Adoption Grant Program
Government Information Technology Agency (GITA)
100 N. 15th Avenue, Suite 440
Phoenix, Arizona 85007

7.1 Questions

Any doubt as to the requirements of the RFG or any apparent omission or discrepancy should be presented to GITA in writing. GITA will then determine the appropriate action necessary, if any, and issue a written amendment to the RFG, if necessary.

Questions concerning this solicitation should be directed within two weeks of RFG issuance in writing to:

Mr. Eric Thomas, Project Manager
Rural Health Information Technology Adoption Grant Program
Government Information Technology Agency (GITA)
100 N. 15th Avenue, Suite 440
Phoenix, Arizona 85007
602.364.4799 (fax)
ethomas@azgita.gov

Applicants may not contact other GITA representatives concerning this procurement after this RFG has been released.

7.2 Submission instructions

Read and become familiar with all sections of this Request for Grant (RFG) document and the *RHIO Formation Guide*. All documents listed in this RFG may be found on the GITA web site at www.azgita.gov/ehealth/RHITA.

Applications must be single-sided, single-spaced, and printed in Times New Roman or Arial font type, 11 or 12 points. Attachments are welcome, but ensure they are properly labeled so the evaluators clearly understand the purpose and value.

Submit one (1) original, one (1) unbound copy, and a data CD containing all of the application materials. The original application copy should be clearly marked **“ORIGINAL.”**

The material contained in the application should be relevant to the service requirements stated in the Request For Grant and submitted in the sequence specified in Section 7.3.

Grant Applications must be received at the GITA office, 100 North 15th Avenue, Suite 440, Phoenix, Arizona, 85007 **no later than 4:00 PM (MST), January 30, 2000. Late applications will not be accepted.**

GITA will not provide any reimbursement for the cost of developing or presenting applications in response to this RFG. Failure to include the requested information may have a negative effect on the evaluation of the applicant's application. The State of Arizona is under no obligation to solicit such information if it is not included with the application.

This Request for Grant is available in word processing format at the GITA web site www.azgita.gov/ehealth/RHITA.

7.3 Grant application format

1. Title Page with the lead applicant name and the primary contact person information.
2. State Procurement Form 203: Complete and sign State Procurement Form 203 (Please see Exhibit 1).
3. Table of Contents
4. Project Executive Summary

- A. Provide a concise overview of the proposed project that summarizes the need, planned activities to address the need, anticipated outcomes, and how these outcomes will be measured.
 - B. Provide a brief, general description of the RHIO proposed in this application and a general description of the rural area of Arizona that it will serve.
 - C. Summarize the status and expected outcome of the formation effort funded by the RHITA 2008-01 grant.
 - D. Outline the effort planned for the new grant and how it builds on the activities funded in the RHITA 2008-01 grant.
 - E. If funds are requested for support of eligible activities in Domains D, F, G or H, include documentation of actual or planned completion of required predecessor activities that supports compliance with the limitations identified in Sections 6.1.1, 6.1.2, 6.1.3 and 6.1.4.
5. Project Plan
- A. Describe the specific need(s) the RHITA 2009-01 project will address. Include a detailed description of proposed activities that relate to the need(s) the project will address. The *RHIO Formation Guide* identifies the types of activities that normally constitute the work of creating a RHIO organization. Specifically list which activities will be engaged and when.
 - B. Specifically list the main goals of the project and specific objectives for each goal.
 - C. Describe the key project milestones, critical success factors, and timeline for completing the proposed activities.
 - D. Complete Exhibit 6 as a summary of the information described in C immediately above.
 - E. Include a copy of the “RHITA Grant Project Status Report” required under the RHITA 2008-01 Grant for the reporting period ending 12/31/08.
 - F. Applicants must utilize the methodology described in the *RHIO Formation Guide* to identify and document activities, critical success factors and milestones.
6. Multi-stakeholder group background information
- A. Include a copy of the “Exhibit 5 – Stakeholder Description” form submitted with the applicant’s RHITA 2008-01 Grant proposal.

- B. Use the revised form in Exhibit 5 as an addendum to summarize any change in stakeholders participating in this project. Only additions, changes and deletions to the RHITA 2008-01 Stakeholder Description list need to be identified.
 - C. Describe any other participants proposed to be included in the project including any consultants, legal experts, consumer representatives, or anyone representing any other areas of specialized expertise.
- 7. Applicant Information
Key project participants from the lead applicant and persons for whom staff costs were budgeted were identified on the Stakeholder Description list in the RHITA 2008-01 grant proposal. Use the revised form in Exhibit 5 as an addendum to identify any changes in key project participants. Include the particular expertise they possess for the proposed project, their role in the project, and the amount of work time they will be assigned to the project. Only additions, changes, and deletions to the key participants on the RHITA 2008-01 Stakeholder Description list need to be identified.
 - 8. Supportive attachments
Include any attachments that support this application and/or provide clarity to any other sections of the application including any additional letters of support for this project.
 - 9. Budget Worksheet and Budget Worksheet Narrative
Review the budget instructions on Exhibit 2 and complete the Budget Worksheet in Exhibit 3 and the Budget Worksheet Narrative in Exhibit 4. Describe how the funds requested will be spent and detail how the amount was determined for each budget item, attaching additional pages as required.

8.0 EVALUATION CRITERIA AND GRANT AWARDS

8.1 Evaluation Criteria

The following categories will constitute the criteria by which grant applications will be evaluated.

- 1. Multi-Stakeholder Group: Submissions in response to items 6 and 7 of section 7.3 of this document will be used as the basis for evaluation. This component of the evaluation will constitute **10%** of the total.
- 2. Project Description and Project Plan: Submissions in response to items 1, 2, 3, 4, 5 and 8 of section 7.3 of this document will be used as the basis for evaluation. This component of the evaluation will constitute **60%** of the total.

3. Financial: Submissions in response to item 9 of section 7.3 of this document will be used as the basis for evaluation. This component of the evaluation will constitute **30%** of the total.

8.2 Grant Awards

The evaluators shall make award recommendations to the head of the state governmental unit based on the evaluators' reviews of each application. The evaluators' recommendations may include the adjustment of the budgets of the applicants individually or collectively.

The head of the state governmental unit may affirm, modify or reject the evaluators' recommendations in whole or in part. Modification of the evaluators' recommendations may include the adjustment of the budget on any proposed award individually or on all awards by an amount or percentage. If the head of the state governmental unit does not affirm the recommendations, the head of the state governmental unit shall document in writing the specific justifications for the action taken. The specific justifications shall be made available for public inspection no later than thirty days after the action is taken.

Applicants will be notified in writing if their application has been selected for funding.

Those applicants not selected for funding will be notified in writing. Pursuant to A.R.S. § 41-2702 (E), all applications shall be open for public inspection after grants are awarded. In accordance with A.R.S. § 41-2702 (G), the evaluator assessments shall be made available for public inspection no later than thirty (30) days after a formal award is made.

9.0 ASSISTANCE PROVIDED

Throughout the grant period, GITA will provide assistance to successful applicants. GITA staff members will be available to provide community and stakeholder education, to facilitate planning and brainstorming sessions, and to advise the project manager and stakeholders at critical project junctures.

10.0 PAYMENTS, REPORTS AND CHANGES

10.1 Payments and Reports

Funds for the project will be disbursed in four (4) equal payments. The first three payments will be processed upon acceptance of the status reports described below. The final payment will be processed once all of the grant requirements have been fully satisfied.

The Grantee will submit regular progress reports to GITA. There will be four reports due. The first report is due at the end of month two (2), the second report is due at the end of month four (4), the third report is due at the end of month six (6), and the final report is due at the end of the project period. The reports shall contain such information as

deemed necessary by GITA to track and measure progress. These reports must contain accurate information and be submitted on time; failure to do so may be cause for cancellation of the grant or withholding of payment. All required reports and other requested information will be provided in a timely manner by the Grantee at no additional cost to the State.

Failure of the Grantee to submit required reports when due, or failure to perform or deliver required work, will result in the withholding or reduction of payment under this grant.

10.2 Changes

The Grantee shall notify GITA in writing of significant changes as soon as such circumstances become known to them that will directly affect ability to perform under the terms of the contract. No significant changes may be implemented without the prior written approval as evidenced by a formal contract amendment signed by GITA.

11.0 STATE OF ARIZONA UNIFORM TERMS AND CONDITIONS

1 Definition of Terms. As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1 *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2 *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; and any Amendments.
- 1.3 *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4 *"Contractor"* means any person who has a Contract with the State.
- 1.5 *"Days"* means calendar days unless otherwise specified.
- 1.6 *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7 *"Grant Agreement"* means the combination of the Request for Grant Applications, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; and any Amendments.
- 1.8 *"Grantee"* means any person who has received a grant from the state.
"Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.9 *"Materials"* means all property, including equipment, supplies, printing, insurance, and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.10 *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer contracts/grants and make written determinations with respect to the contract/grant.
- 1.11 *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.12 *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.13 *"State"* means the State of Arizona and Department or Agency of the State that executes the contract/grant.
- 1.14 *"State Fiscal Year"* means the period beginning with July 1 and ending June 30.

2 Contract Interpretation

- 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona

- Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7. AzSPO Form 202, Revision 7 2 04/15/03
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
 - 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1 Special Terms and Conditions;
 - 2.3.2 Uniform Terms and Conditions;
 - 2.3.3 Statement or Scope of Work;
 - 2.3.4 Attachments;
 - 2.3.5 Exhibits;
 - 2.3.6 Documents referenced or included in the Solicitation.
 - 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
 - 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
 - 2.6 No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
 - 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3 Contract administration and operation.

- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property
Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor

or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

4 Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes.
 - 4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
 - 4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
 - 4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor AzSPO Form 202, Revision 7 4 04/15/03 shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
 - 4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.
- 4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
 - 4.5.1 Accept a decrease in price offered by the, contractor.
 - 4.5.2 Cancel the Contract.
 - 4.5.3 Cancel the contract and re-solicit the requirements.

5 Contract changes

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6 Risk and Liability

- 6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification
 - 6.2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However,

- the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence. AzSPO Form 202, Revision 7 5 04/15/03
- 6.2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."
- 6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
- 6.4 Force Majeure.
- 6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- 6.4.2 Force Majeure shall not include the following occurrences:
- 6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
- 6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this AzSPO Form 202, Revision 7 6 04/15/03 Contract.

7 Warranties

- 7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
- 7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
- 7.2.1 Of a quality to pass without objection in the trade under the Contract description;
- 7.2.2 Fit for the intended purposes for which the materials are used;
- 7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
- 7.2.4 Adequately contained, packaged and marked as the Contract may require; and
- 7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

- 7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5 Year 2000.
- 7.5.1 Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.
- 7.5.2 Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.
- 7.6 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall AzSPO Form 202, Revision 7 7 04/15/03 maintain all applicable licenses and permit requirements.
- 7.7 Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.71 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.7.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8 State's Contractual Remedies

- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 Stop Work Order.
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions. AzSPO Form 202, Revision 7 8 04/15/03

9 Contract Termination

- 9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State. By signing the offer section of the Offer and Acceptance page, SPO Form 203 (Attachment A), the offeror certifies that the firm, business, or person submitting the offer has not been debarred, suspended, or otherwise lawfully precluded from participating in any public procurement activity with any Federal, State, or Local Government. Signing the offer section without disclosing all pertinent information about a debarment or suspension shall result in rejection of the bid or offer or cancellation of a grant. The State also may exercise any other remedy available by law.
- 9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 9.5 Termination for Default.
- 9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in AzSPO Form 202, Revision 7 9 04/15/03 procuring materials or services in substitution for those due from the Contractor.
- 9.6 Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10 Contract Claims. All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11 Arbitration.

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12.0 STATE OF ARIZONA SPECIAL TERMS AND CONDITIONS

- 1. Americans With Disabilities Act of 1990.** The Grantee shall comply with the Americans With Disabilities Act of 1990 (Public Law 101-336) and the Arizona Disability Act of 1992 (A.R.S 41-1492 et. seq.), which prohibits discrimination on the basis of physical or mental disabilities in delivering contract services or in the employment, or advancement in employment of qualified individuals.
- 2. Civil Rights.** Grantees and Subcontractors are subject to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendment of 1972, and offers all persons the opportunity to participate in programs or activities regardless of race, color, national origin, age, sex, or disability. Further, it is agreed that no individual will be turned away from or otherwise denied access to or benefit from any program or activity that is directly associated with a program of the GRANTEE on the basis of race, color, national origin, age, sex (in educational activities) or disability.
- 3. Clarifications.** Upon receipt and opening of proposals submitted in response to this request, the State may request oral or written clarifications, including demonstrations or questions and answers, for the sole purpose of information gathering or of eliminating minor informalities or correcting nonjudgmental mistakes in proposals. Clarifications shall not otherwise afford the offerors the opportunity to alter or change its proposal.
- 4. Confidential Information.**
 - 4.1. In accordance with A.R.S. 39-121 through 39-121.03 (the "Arizona Public Records Law") public records and other matters in the custody of any officer shall be open to inspection by any person at all times during office hours. This extends to the grantee for public records except those made confidential and exempt by state law that must be protected from disclosure.
 - 4.2. If a person believes that any portion of a proposal, offer, specification, protest, or correspondence contains information that should be withheld, then the Procurement Officer shall be so advised in writing (Price is not confidential and will not be withheld). Such material shall be identified as confidential wherever it appears. The State, pursuant to A.C.R.R. R2-7-104, shall review all requests for confidentiality and provide a written determination. If the confidential request is denied, such information shall be disclosed as public information, unless the person utilizes the 'Protest' provision as noted in §41-2611 through §41-2616.
- 5. Confidentiality of Records.** The grantee shall establish and maintain procedures and controls acceptable to the State for the purpose of assuring that information or data in its possession is not mishandled, misused, released, disclosed, or used in an inappropriate manner by it, its agents, officers, or employees. This includes information contained in its records obtained from the State or others, necessary for grant performance. The grantee shall take all reasonable steps and precautions to safeguard this information and data and shall not divulge the information or data to parties other than those needed for the performance of duties under the contract.
- 6. Contract/Grant Award.**
 - 6.1. The State intends to award several grants in varying amounts, unless otherwise indicated, resulting from this solicitation to the responsible offeror(s) whose proposal (s) represents the best value after evaluation in accordance with the factors identified in the solicitation. The fact that the state may make multiple awards should be taken into consideration by each offer. The State may reject any or all proposals if such action is in the State's best interest.
 - 6.2. In accordance with A.R.S. 41-2534, after the initial receipt of proposals, the State may conduct discussions with those offerors who submit proposals determined by the State to be reasonably susceptible of being selected for award. If discussions are conducted pursuant to R2 7 331, the State shall issue a written request for best and final offers. Award may be made without discussions, therefore, offers shall be submitted complete and on most favorable terms
- 7. Electronic Documents.** This solicitation document is provided in an electronic format. Any unidentified alteration or modification to any solicitation documents, to any attachments, exhibits, or forms contained herein shall be null and void. In those instances where modifications are identified, the original document published by the State

shall take precedence. Offerors are responsible for clearly identifying any and all changes or modifications to any solicitations document upon submission to the State.

8. **Evaluation.** In accordance with the Arizona Procurement Code 41-2534, Competitive Sealed Proposals, awards shall be made to the responsible offeror (s) whose proposal (s) are determined in writing to be the most advantageous to the State based upon the evaluation criteria listed herein.
9. **Exceptions.** Offerors shall indicate any exceptions taken to the instructions, terms, conditions or other requirements in the solicitation.
10. **Federal Immigration and Nationality Act.**
 - 10.1. The grantee shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the grant. Further, the grantee shall flow down this requirement to all subcontractors utilized during the term of the grant. The State shall retain the right to perform random audits of grantee and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine noncompliance, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination and suspension and/or debarment of the grantee.
 - 10.2. The Grantee and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at USCIS.GOV.
11. **Financial Stability.** The Offeror must be financially stable and able to substantiate the financial stability of its organization. If requested, current financial statements or other financial information deemed appropriate documenting past financial history must be provided within five (5) business days or request. The State reserves the right to request additional documentation from the Offeror and to request reports on financial stability from independent financial rating services. The State reserves the right to reject any offeror who does not demonstrate financial stability sufficient for the scope of this grant award.
12. **HIPAA.**
 - 12.1. State of Arizona and the Grantee agree to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 ('HIPAA'), as set forth in Title 45, Parts 160, 162, and 164 of the Code of Federal Regulations (the 'CFR'); with Section 1173(d) of the Social Security Act, Title 42, Section 1320d-2(d) of the United States Code and Title 45, Part 164.314 (a) (2) of the CFR.
 - 12.2. State of Arizona shall provide or request from the Grantee:
 - 12.2.1. Notice of privacy practices that State of Arizona produces in accordance with Title 45, Part 164, Subpart E, Section 164.520, as well as any changes to that notice.
 - 12.2.2. Changes in, or revocation of, permission by an Individual to use or disclose PHI if such changes affect the Grantee's permitted or required uses and disclosures.
 - 12.2.3. Notification in writing, of any restriction to the use of disclosure of PHI that State of Arizona has agreed to in accordance with Title 45, Part 164, Subpart E, Section 164.522.
 - 12.2.4. Minimum PHI necessary for the Grantee to perform or fulfill a specific function required or permitted hereunder.
 - 12.3. Upon State of Arizona's knowledge of a material breach by the Grantee, State of Arizona shall:
 - 12.3.1. Provide an opportunity for the Grantee to cure the breach or end the violation and terminate if Business Associate does not cure the breach or end the violation within the time specified by State of Arizona.
 - 12.3.2. Immediately terminate if the Grantee has breached a material term of the grant agreement and cure is not possible.
 - 12.3.3. If neither termination nor cure is feasible, State of Arizona shall report the violation to DHHS.
13. **Inclusive Offerors.** Offerors are encouraged to make every effort to utilize subcontractors that are small, women-owned and/or minority owned business enterprises. Offerors who are committing a portion of their work to such subcontractors shall do so by identifying the type of service and work to be performed by providing detail concerning your organization's utilization of small, women-owned and/or minority business enterprises. Emphasis should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort will be administered and managed, including reporting requirements.
14. **Insurance.**
 - 14.1. Without limiting any liabilities or any other obligation of the Grantee, the Grantee shall purchase and maintain, in a company or companies lawfully authorized to do business in the State of Arizona, and rated at least A VII in the current A.M. Best's. The policies shall be endorsed to include the following additional insured language: 'The State of Arizona, its departments, agencies,

- boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Grantee. Policies shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Grantee.
- 14.2. MINIMUM SCOPE AND LIMITS OF INSURANCE: The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Grantee from potential insurer insolvency. Grantee shall provide coverage with limits of liability not less than those stated below.
- 14.2.1. Commercial General Liability - Occurrence Form. Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.
- General Aggregate - \$2,000,000
 - Products Completed Operations Aggregate - \$1,000,000
 - Personal and Advertising Injury - \$1,000,000
 - Blanket Contractual Liability Written and Oral - \$1,000,000
 - Fire Legal Liability - \$50,000
 - Each Occurrence - \$1,000,000
- 14.2.2. Automobile Liability. Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this grant.
- Combined Single Limit (CSL) - \$1,000,000
- 14.2.3. Worker's Compensation and Employers' Liability
- 14.2.3.1.1. Workers' Compensation – Statutory
- 14.2.3.1.2. Employers' Liability
- Each Accident - \$500,000
 - Disease Each Employee - \$500,000
 - Disease Policy Limit - \$1,000,000
- 14.2.3.1.3. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, and when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.
- 14.3. NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this grant agreement shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to Eric Thomas, Project Manager, RHITA Grant Program, Government Information Technology Agency, 100 North 15th Avenue, Suite 440, Phoenix, Arizona 85007 and shall be sent by certified mail, return receipt requested.
- 14.4. VERIFICATION OF COVERAGE:
- 14.4.1. Grantee shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required must be in effect at or prior to commencement of work under this grant agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required, or to provide evidence of renewal, is a material breach of contract.
- 14.4.2. All certificates required by this solicitation shall be sent directly to Eric Thomas, Project Manager, RHITA Grant Program, Government Information Technology Agency, 100 North 15th Avenue, Suite 440, Phoenix, Arizona 85007. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required at any time.
- 14.5. SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insureds under its policies or the Grantee shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- 14.6. APPROVAL: Any modification or variation from the insurance requirements in this document shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- 14.7. EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

- 15. Licenses.** Grantee shall maintain a current status of all Federal, State and Local licenses and permits required for the operation of a business.
- 16. Monitoring.** Grantee shall permit persons duly authorized by the State to inspect and copy any records, papers, documents, facilities, goods and services of the grantee which are relevant to the grant and to interview any employees or subcontractor employees to assure the State of satisfactory performance of the terms and conditions of this grant. Following such review, the State will deliver the grantee a written report of its findings and if necessary, request corrective action.
- 17. Payment.** The Grantee shall be paid based on the amount agreed upon in writing. Work shall be completed in a responsible and professional manner in accordance with the requirements incorporated in the assignment. Determination of acceptability of work will be made by the State. However, should the work products require correction, the State reserves the right to withhold all, or partial payment on future assignments until the work product has been reviewed and accepted by the State.
- 18. Payment Indemnification.** The Grantee shall be responsible for issuing payment for services performed by their employees and will indemnify and save the State harmless for all claims whatsoever growing out of the lawful demands of employees, subcontractors, suppliers or any other third party incurred in the furtherance of the performance of the grant. The Grantee shall, at the State's request, furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged, or waived.
- 19. Required Review.**
- 19.1. Offerors should carefully review this solicitation for defects and questionable or objectionable matter. Comments concerning defects and objectionable material must be made in writing and received by the State at least seven (7) days prior to the proposal's due date. Protests based on any omission or error, or on the content of the solicitation, may be disallowed if these faults have not been previously brought to the attention of the State as required herein.
- 19.2. In the event of a grant being awarded, no plea of ignorance of conditions that exist, or may hereafter exist, or of difficulties that may be encountered in the provision of services under the grant will be accepted as an excuse for any failure or omission on the part of the grantee to fulfill in every detail all of the requirements of the grant, nor accepted as a basis for any claims for extra compensation.
- 20. Sponsorship.** If the grantee is a non-governmental organization that sponsors a program wholly or partly financed by state funds, including grant funds, it shall in publicizing, advertising, or describing the sponsorship of the program, include: Sponsored by [Grantee's Name] and the State of Arizona, Government Information Technology Agency.
- 21. Return of Funds.** The State requires the grantee to return any overpayments due to unearned or disallowed funds that were disbursed to the grantee by the State. In the event that the grantee or an independent auditor discovers an overpayment has been made, the grantee shall repay the overpayment immediately without prior notification from the State. In the event that the State first discovers an overpayment, the grant manager will notify the grantee in writing of such findings. If repayment is required, the grantee will be charged the lawful rate of interest on the outstanding balance after discovery.
- 22. Vendor Registration.** Prior to issuance of a formal award, the Grantee shall have a completed STATE OF ARIZONA SUBSTITUTE W9 FORM on file with GITA. No payments shall be made until the form is on file. The STATE OF ARIZONA SUBSTITUTE W9 FORM will be provided to the Grantee at the time of Award or is available on the GAO website at <http://www.gao.state.az.us/onlineforms/>. The form must be completely filled out and returned prior to the start of any project for the State.
- 23. Waiver and Rejection of Rights.** Notwithstanding any other provision of the solicitation, the State reserves the right to waive any immaterial defect or informality; Reject any and all offers or portions thereof; or Cancel a solicitation. The procurement officer shall file a written determination specifying the reasons for the decision.

EXHIBITS

- Exhibit 1 State Procurement Form 203
NOTE: This form is submitted at the beginning of the RFG proposal response
- Exhibit 2 Budget Instructions
- Exhibit 3 Budget Worksheet
- Exhibit 4 Budget Narrative Worksheet
- Exhibit 5 Stakeholder Description - Addendum
- Exhibit 6 Project Plan Summary

Exhibit 1 – State Procurement Form 203

OFFER Now submitted at the beginning of the RFG proposal response

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service, or construction in compliance with all terms, conditions, specifications, and amendments in the Solicitation and any written exceptions in the offer.

Signature also certifies Small Business status.

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

Name:

Federal Employer Identification No.:

Phone:

Fax:

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City

State

Zip

Title

CERTIFICATION

By signature in the Offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 75.5 or A.R.S. §§ 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. **The bidder certifies that the above referenced organization ___is/___is not a small business with less than 100 employees or has gross revenues of \$4 million or less.**

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This contract shall henceforth be referred to as Contract No.

The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document, or written notice to proceed.

State of Arizona

Awarded this

**day
of**

20

GITA Procurement Officer

Exhibit 2 - Budget Instructions

1. Personnel Expenses

Include the portion of principal staff time attributed directly to this project. List each staff position.

2. Personnel Fringe Benefits

Include costs of benefit(s) for the project staff. You can identify and calculate each benefit or show cost as a percentage of all salaries.

3. Travel

It is anticipated that GITA will convene two (2), one-day meetings involving all of the Grantees during the course of the project. These meetings will likely be held in the Phoenix vicinity. Grantees will be asked to send up to three people to each meeting. Please include these costs in the budget. Overnight stays are permitted for grantees from outlying areas.

4. Capital Equipment

It is anticipated that few capital equipment purchases will be necessary in the nine month project period. Therefore the project narrative must support the requirement fully, including a detailed explanation of the necessity to invest in capital in the planning phase.

5. Office Supplies and Communications

May include the funds for the purchase of consumable supplies and materials. You must individually list any single item costing \$1,000 (one thousand dollars) or more.

6. Website/Technology

May include the cost to provide any internet-based tools for project participants, i.e., project website, listserv, chat areas, etc.

7. Contractual and Consultant Services

If consulting assistance beyond that already provided by GITA is being proposed, a detailed explanation is required. Payments to individuals for consultant travel must meet Arizona guidelines for travel expenses as documented on website <http://www.gao.state.az.us/travel/>. Where applicable, indicate the daily rate for consultants.

8. Education

A. Training

May include the costs associated with training directly related to this project, especially training that specifically enhances project planning i.e., project or financial management, team building, etc. Indicate daily rates of outside trainers, where applicable.

B. Community Education and Outreach

May include the costs to provide a comprehensive program of community awareness and education to the consumers in the RHIO area. These costs should be expressed in terms of total expense per activity.

Exhibit 3 – Budget Worksheet

Budget Worksheet

Please complete the following form providing the proposed budget. ***Applicant may duplicate this worksheet and add rows to each category as necessary.*** Include any pertinent budget information that requires an explanation on the Budget Worksheet Narrative form (Exhibit 4). Budget items identified on the Budget Worksheet must be presented in the same sequence on the Budget Worksheet Narrative.

BUDGET Applicant Organization:			
BUDGET ITEM	APPLICANT FUNDED	GRANT FUNDED	TOTAL
PERSONNEL			
DIRECT STAFF			
SALARY			
FRINGE BENEFITS			
TOTAL DIRECT STAFF			
STAKEHOLDER STAFF			
PERCENT TIME: %			
TOTAL PARTICIPANT STAFF			
TRAVEL			
TRANSPORTATION			
LODGING & MEALS			
TOTAL STAFF TRAVEL			
CAPITAL EQUIPMENT			
DESCRIPTION:			
TOTAL CAPITAL EQUIPMENT			
OFFICE SUPPLIES & COMMUNICATION			
WEBSITE /TECHNOLOGY			
DESCRIPTION:			
CONTRACTURAL & CONSULTING			
EDUCATION			
STAFF TRAINING			
COMMUNITY OUTREACH			
TOTAL EDUCATION			
TOTAL BUDGET			

Exhibit 4 – Budget Worksheet Narrative

Budget Worksheet Narrative

Please complete the following form providing pertinent budget information that requires an explanation from the Budget Worksheet form (Exhibit 3). Budget items originally identified on the Budget Worksheet must be presented in the same sequence on the Budget Worksheet Narrative. ***Applicant may duplicate this worksheet and add rows to each category as necessary.***

BUDGET Applicant Organization:	
BUDGET ITEM	EXPLANATION
PERSONNEL	
DIRECT STAFF	
SALARY	
FRINGE BENEFITS	
TOTAL DIRECT STAFF	
STAKEHOLDER STAFF	
PERCENT TIME: %	
TOTAL PARTICIPANT STAFF	
TRAVEL	
TRANSPORTATION	
LODGING & MEALS	
TOTAL STAFF TRAVEL	
CAPITAL EQUIPMENT	
DESCRIPTION:	
TOTAL CAPITAL EQUIPMENT	
OFFICE SUPPLIES & COMMUNICATION	
WEBSITE /TECHNOLOGY	
DESCRIPTION:	
CONTRACTURAL & CONSULTING	
EDUCATION	
STAFF TRAINING	
COMMUNITY OUTREACH	
TOTAL EDUCATION	
TOTAL BUDGET	

Exhibit 5 – Stakeholder Description - Addendum

Use this form as an addendum to the Stakeholder Description list included in the RHITA 2008-01 grant proposal. Only changes to that list need to be included on this form.

Enter “A” for Addition, “C” for Change and “D” for Deletion in the first column to describe the type of change.

Change Type A/C/D	Stakeholder Group Description	Name and Primary Mission	Size of the Organization	Key Individual(s)	Professional Expertise	Project Role	Time Involved in this Project
	<i><Lead Organization></i>						
	<i><Participating Organization A></i>						
	<i><Participating Organization B></i>						
	<i><Participating Organization C></i>						
	<i><Participating Organization D></i>						

1. Please attach the *RESUME* of each Key Individual in the lead organization and any person for whom staff costs are include in the proposed budget.

2. Italicized entries serve only as representative placeholders.

Exhibit 6 – Project Plan Summary

Use this form to summarize the information in the project narrative section.

1. List the **key activities** planned for the project under the most appropriate domain.
2. Shade in the areas of the months during which the activities will occur.
3. For each key **milestone** included in the project plan, indicate the month when it will be reached.
4. If no activities within a specific domain are planned, leave the rows under it blank. Do not delete the domain name
5. Additional rows under any domain should be inserted where more space is needed to list activities. Additional supportive documentation may be included.
6. Italicized entries serve only as representative placeholders.

Activity / Month	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009
Domain A									
Community Leadership									
Not funded in this Request For Grant									
Domain B									
Business Foundation									
<Activity 1>									
<Activity 2>									
<Activity 3>									
<Critical Success Factor 1>									
<Critical Success Factor 2>									
<Milestone 1>									
<Milestone 2>									
Domain C									
Governance									
<Activity 1>									
<Activity 2>									
<Activity 3>									
<Critical Success Factor 1>									
<Critical Success Factor 2>									
<Milestone 1>									
<Milestone 2>									

Activity / Month	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009
Domain D Privacy & Security									
<Activity 1>									
<Activity 2>									
<Activity 3>									
<Critical Success Factor 1>									
<Critical Success Factor 2>									
<Milestone 1>									
<Milestone 2>									
Domain E Technical Architecture									
Not funded in this Request For Grant									
Domain F Community Outreach									
<Activity 1>									
<Activity 2>									
<Activity 3>									
<Critical Success Factor 1>									
<Critical Success Factor 2>									
<Milestone 1>									
<Milestone 2>									
Domain G Financial Sustainability									
<Activity 1>									
<Activity 2>									
<Activity 3>									
<Critical Success Factor 1>									
<Critical Success Factor 2>									
<Milestone 1>									
<Milestone 2>									

Activity / Month	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009
Domain H Education									
<Activity 1>									
<Activity 2>									
<Activity 3>									
<Critical Success Factor 1>									
<Critical Success Factor 2>									
<Milestone 1>									
<Milestone 2>									
Domain I Practice Transformation									
Not funded in this Request For Grant									

END OF SOLICITATION